



Presentation of Financial Results
for the First Quarter Ended June 2017
August 2017



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1Q FY2017 Financial Results

Consolidated Income Statement

- **Net sales** Sales increased in the Energy Business Division (Coal Sales Business) due to such factors as a hike in coal prices and an increase in the sales volume.
- **Operating profit** Profit increased in the Energy Business Division (Coal Production Business) due to, among other factors, a hike in coal prices.
- **Ordinary profit (Non-operating profit)** Posted investment income from a silent partnership totaling 60 million yen and interest income of 52 million yen (decrease of 1 million yen from the previous corresponding period)
- **(Non-operating expenses)** Posted an exchange rate loss of 118 million yen (decrease of 143 million yen from the previous corresponding period) and an interest expense of 47 million yen (increase of 8 million yen from the previous corresponding period)
- **Quarterly net profit attributable to owners of parent (Extraordinary profit)** Received subsidies totaling 134 million yen
- **(Extraordinary loss)** Posted losses on reduction of fixed assets totaling 124 million yen
- **(Tax expenses)** Posted tax expenses totaling 171 million yen (increase of 223 million yen from the previous corresponding period)

(Million yen)	FY2016 1Q	FY2017 1Q	Yr.../Yr Change
Net sales	11,438	15,826	4,388
Operating profit [Operating profit before amortization of goodwill]*	(234) [(138)]	442 [576]	676 [714]
Ordinary profit	(436)	430	867
Quarterly net profit attributable to owners of parent	(572)	266	839

* "Operating profit before amortization of goodwill" is operating profit excluding the amortization of goodwill that arises from business acquisitions.

Consolidated Segment Information

■ Energy Business Division

The Energy Business segment comprises the Coal Sales Business, Coal Production Business, and Renewable Energy Business. Details are provided under “Breakdown of Energy Business” on the next page.

■ Consumer Goods and Services Business Division

The Consumer Goods and Services Business segment comprises the Electronic Parts Business, Beverage & Food Packages Business, Fashion Business, Contract Service Business, and Nursing Care Business.

Sales increased as CLEAN SURFACE TECHNOLOGY Co., Ltd. was made a subsidiary in the Electronic Parts Business in 4Q/FY2016. Profit decreased due to, among other factors, the initial cost incurred for new store launches in the Fashion Business.

[Sales]

Business (Million yen)	FY2016 1Q	FY2017 1Q	Yr.../Yr Change
Energy	7,079	10,700	3,621
Consumer Goods and Services	3,882	4,750	868
Others	441	349	(91)
Adjustments	34	25	(9)
Total	11,438	15,826	4,388

[Segment profit]

Business (Million yen)	FY2016 1Q	FY2017 1Q	Yr.../Yr Change
Energy [Before goodwill amortization]	(380) [(362)]	321 [339]	701 [701]
Consumer Goods and Services [Before goodwill amortization]	417 [494]	392 [507]	(25) [13]
Others	5	25	20
Adjustments	(276)	(296)	(20)
Total [Before goodwill amortization]	(234) [(138)]	442 [576]	676 [714]

* “Sales” represent sales before the elimination of inter-segment transactions.

* “Other” represents business segments not included in reporting segments, and includes the Real Estate Business, Stevedore and Warehouse Business, etc.

* Segment profit for the Energy Business includes equity method investment returns (1Q/FY2016: -10 million yen, 1Q/FY2017: -9 million yen).

* Adjustments to sales include income from rental of Company-wide assets. Adjustments of segment profit include equity method investment returns/losses and Company-wide profits/expenses that are not allocated to reporting segments.

Breakdown of the Energy Business Division

■ Coal Sales Business

Sales: Sales increased due to a rise in coal prices, an increase in sales volume, and other factors.

Profit: Profit increased due to a rise in sales volume and other factors.

■ Coal Production Business

Sales and profit: Sales and profit increased due primarily to a hike in coal prices despite the lower sales volume as well as the appreciation of the Australian dollar against the U.S. dollar in the settlement of coal payments.

[Sales] (Million yen)	FY2016 1Q	FY2017 1Q	Yr.../Yr Change	[Profit] (Million yen)	FY2016 1Q	FY2017 1Q	Yr.../Yr Change
Coal Sales Business Sales Volume	5,710 0.86 million tons	10,022 1.03 million tons	4,312 0.16 million tons	Coal Sales Business	41	47	5
Coal Production Business Sales Volume	2,787 0.38 million tons	2,863 0.26 million tons	75 (0.11 million tons)	Coal Production Business [of which, equity method investment return]	(474) [(10)]	205 [(9)]	680 [0]
Renewable Energy Business	94	110	16	Renewable Energy Business	52	68	16
Adjustments	(1,512)	(2,295)	(783)	Adjustments	-	-	-
Total	7,079	10,700	3,621	Total	(380)	321	701

* Adjustments include transactions between businesses.

Major index		FY2016 1Q	FY2017 1Q	Change
Coal Sales Business (Apr–Jun)	Average coal price of import and sales	¥6,570	¥9,678	¥3,108
	Exchange rate ¥/US\$ (average rate)	¥108.30	¥111.01	Yen depreciation ¥2.71
Coal Production Business (Jan–Mar)	Average coal price: Thermal coal	US\$ 62.10	US\$ 87.54	US\$ 25.44
	Average coal price: Semi-soft coking coal	US\$ 65.90	US\$171.00	US\$ 105.10
	Exchange rate US\$/A\$ (average rate)	US\$ 0.7189	US\$ 0.7775	A\$ appreciation US\$ 0.0587
	Exchange rate ¥/A\$ (average rate)	¥83.10	¥86.18	Yen depreciation ¥3.08

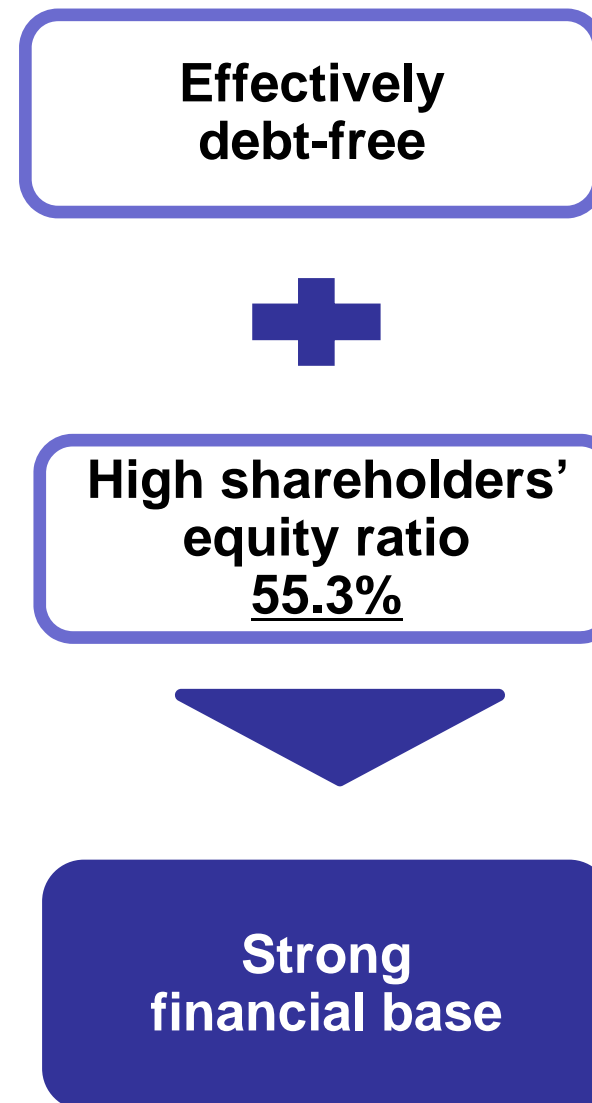
Consolidated Balance Sheet

	Mar 31, 2017		Jun 30, 2017		Change (Million yen)	Main Factor behind changes
	Amount (Million yen)	Ratio (%)	Amount (Million yen)	Ratio (%)		
Current assets	24,726	41.8	23,795	41.2	(931)	Accounts receivable: (983), inventory assets: (176), cash and deposits: 233
Fixed assets, Deferred assets	34,386	58.2	33,942	58.8	(444)	Intangible fixed assets: (370), tangible fixed assets: (164)
Total assets	59,113	100.0	57,737	100.0	(1,376)	
Current liabilities	11,824	20.0	10,886	18.9	(937)	Short-term debt: (509)
Fixed liabilities	15,568	26.3	14,926	25.8	(642)	Long-term debt: (522)
Total liabilities	27,392	46.3	25,813	44.7	(1,579)	
Total net assets	31,721	53.7	31,924	55.3	203	Quarterly net profit attributable to owners of parent: 266, foreign currency translation adjustment: 153, valuation difference on available-for-sale securities: 151, deferred gains or losses on hedges: 149, dividends paid: (522)
Total liabilities and net assets	59,113	100.0	57,737	100.0	(1,376)	

	Mar 31, 2017	Jun 30, 2017
<i>Cash and deposits (including long-term deposits)</i>	15,145	15,392
<i>Debt (including bonds)</i>	(14,838)	(13,806)
<i>Net cash and deposits</i>	306	1,585
<<Management indicators>>		
<i>Shareholders' equity ratio (%)</i>	53.6	55.3
<i>D/E ratio (times)</i>	0.56	0.53

Consolidated Balance Sheet (June 30, 2017)

<p>Current assets 23.7 billion</p> <ul style="list-style-type: none"> • Cash and cash equivalents 15.3 billion <i>(including long-term deposits)</i> • Accounts receivable 6.0 billion • Inventory assets 1.0 billion 	<p>Current liabilities 10.8 billion</p> <ul style="list-style-type: none"> • Accounts payable 3.0 billion • Short-term debt 3.7 billion
<p>Fixed assets, deferred assets 33.9 billion</p> <ul style="list-style-type: none"> • Tangible fixed assets 21.0 billion <i>(Buildings, machinery, etc.) (10.0 billion)</i> • (Land) (8.9 billion) • (Leases) (1.7 billion) • Intangible fixed assets 7.9 billion • (Goodwill) (6.9 billion) • Securities 2.5 billion 	<p>Fixed liabilities 14.9 billion</p> <ul style="list-style-type: none"> • Long-term debt 10.1 billion <i>(including bonds)</i> • Leases 1.6 billion
<p>Net assets 31.9 billion</p> <p style="text-align: center;">Shareholders' equity ratio 55.3%</p>	
<p>Total assets: 57.7 billion</p>	
<p>Total liabilities and net assets: 57.7 billion</p>	



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<IR Contact> General Affairs Dept./Business Planning Dept. TEL +81-92-771-2171